



# Benefit Guide

## Extended Illness Disability or Death

JUNE, 2014

*In situations of extended illness, disability, or death, you and your family members will need to know specific details regarding benefit information. This guide is intended to provide information and assistance for you and your family members.*

*It is our sincere hope that this information will be helpful as you go through these difficult times.*

### Table of Contents

Extended Illness .....	2
The Key Person to Assist You .....	2
Family Medical Leave Act (FMLA) .....	2
Pay Continuation during an Extended Leave Due to Illness .....	2
Leave without Pay during an Extended Leave Due to Illness .....	2
Benefits during an Extended Leave Due to Illness .....	2
Paid Leave .....	2
Unpaid Leave .....	3
Long Term Disability Insurance .....	3
General Information .....	3
LTD Benefit Offset .....	4
Applying for LTD .....	4
LTD Elimination Period .....	4
Insurance Benefits during the Elimination Period .....	4
Benefits and Status upon Approval of LTD Benefits .....	4
Death .....	6
Death of an Active Employee .....	6
Death of a Former Employee on LTD .....	6

# Extended Illness

## The Key Person to Assist You

Each state agency has an employee who functions as a human resource associate (HRA) or personnel assistant (PA). These individuals understand each employee's status and can explain which benefits are available for a particular situation. The HRA or PA assigned to your department should be the first point of contact for you and your family members.

If you are not sure who your HRA/PA is, contact your supervisor. Your supervisor will be able to direct you to your HRA/PA.

## Family Medical Leave Act (FMLA)

You may be eligible for leave under the Family and Medical Leave Act (FMLA). You are eligible for FMLA leave if you have worked for the State of Iowa for at least 12 months and have worked at least 1,250 hours in the 12 months immediately preceding the date your FMLA qualifying leave begins.

FMLA leave provides eligible employees with up to 12 workweeks of job-protected leave in a fiscal year. FMLA also provides that group health benefits be maintained during the FMLA leave. FMLA leave may be paid (using sick leave, vacation, or compensatory leave) or unpaid.

If you are eligible, your supervisor or HRA/PA will give you a *Notice of Eligibility & Rights and Responsibilities* and an FMLA application. In addition to the FMLA application, your supervisor or HRA/PA may give you a *Certification of Health Care Provider*. This form must be completed by your health care provider. Return the completed forms to your HRA/PA by the date indicated on the *Notice of Eligibility & Rights and Responsibilities*.

## Pay Continuation during an Extended Leave Due to Illness

A number of resources are available to provide you with income while on an extended leave.

### Sick Leave

Most employees working for the State of Iowa earn sick leave. You may use your unused sick leave when away from work due to an extended illness. As long as you are using your sick leave, you will continue to accrue sick leave hours based on your accrual schedule. These accrued hours are added to your sick leave balance. Your current sick leave balance can be found on your most recent pay warrant or your HRA/PA can tell you your sick leave balance.

### Vacation Leave

You may use your vacation leave during an extended illness if such use is approved by your department. Your HRA/PA can explain how to request approval from your department.

Similar to sick leave, as long as you are using your own vacation leave, you will continue to accrue vacation hours based on your accrual schedule. These hours will be added to your vacation balance. Your current vacation balance can be found on your most recent pay warrant or your HRA/PA can tell you your vacation balance.

### Compensatory Leave

You may use your accrued compensatory leave during an extended illness.

## Leave without Pay during an Extended Leave Due to Illness

When you have exhausted all of your sick, vacation, and compensatory leave, you may request leave without pay. The leave without pay processes and procedures may differ depending upon your collective bargaining agreement or the administrative rules. Consult your collective bargaining agreement or see your HRA/PA for more information.

### Donated Leave for "Catastrophic Illness"

When you have exhausted all of your sick, vacation, and compensatory leave, other State of Iowa employees may donate their accumulated vacation leave to you if you have a catastrophic illness. A "catastrophic illness" is a physical or mental illness, certified by a licensed physician, which results in your inability to work for more than 30 work days on a consecutive or intermittent basis. Donated leave is not considered income for purposes of the payment of the state share of insurance premiums.

### Supplementing Workers' Compensation Benefits

If you are on an extended leave due to a work-related injury, you may elect to use your sick, vacation, and compensatory leave to supplement workers' compensation benefits. You may elect to supplement your workers' compensation benefits any time during the period you are receiving benefits.

If you elect to supplement your workers' compensation benefits with your leave time, the supplementary payments continue until your sick, vacation, and compensatory leave is exhausted or you are no longer eligible for workers' compensation benefits, whichever comes first.

# Benefits during an Extended Leave Due to Illness

## Paid Leave

### Health and Dental Insurance

Payroll deductions continue for health and dental insurance when you are on paid leave. The State of Iowa continues to pay its share of health and dental insurance premiums until your paid leave is exhausted, FMLA is exhausted, or until your employment is terminated, whichever comes first.

## Life Insurance

The State of Iowa continues to pay your basic life and long term disability insurance premiums while you are on paid leave. If you elected supplemental life insurance, premiums continue to be deducted from your pay warrant.

## Flexible Spending Accounts (FSA)

During a paid leave of absence you cannot change your pretax deductions for the health FSA.

You are not able to contribute to the dependent care FSA or claim dependent care expenses if you are capable of self-care during your paid leave. In such cases, contact your PA to discuss the situation.

## Deferred Compensation

If you participate in the state's deferred compensation program (Retirement Investors' Club or RIC), you may continue to make contributions while you are on a paid leave of absence. You can discontinue your contributions at any time.

## Unpaid Leave

### Health and Dental Insurance

If you are granted leave without pay after you exhaust your paid leave, you may continue your insurance by paying the total monthly premiums. You may continue these payments until your unpaid leave is exhausted. Your HRA/PA will give you instructions on how to pay your premiums.

You are required to pay both the state's share and the employee's share of the premiums. If you are on approved FMLA leave, the state's share will continue until the end of the month your FMLA ends. If your unpaid leave is longer than 30 days, the leave is considered a qualifying life event and you may make certain changes to your health and dental insurance. You must make your request to change within 30 days of the date your unpaid leave begins. Contact your HRA/PA for more information about changes during an unpaid leave of absence greater than 30 days.

### Life Insurance

If you are approved for leave without pay, contact your HRA/PA for payment instructions to continue your supplemental life insurance. Premium payments must continue for supplemental life coverage to remain in force.

### Flexible Spending Accounts (FSA)

In general, your contributions to both the health and dependent care FSA cease, and coverage stops, while you are on an unpaid leave of absence. If you are on FMLA, you may cancel your health or dependent care FSA. You may also elect to continue your health FSA coverage while on FMLA by making arrangements to pay the contributions due during your leave.

Eligible expenses may be submitted for reimbursement through the end of the month that you had coverage. Claims may be filed through April 15 of the following year.

Direct your detailed questions concerning the FSA program to the FSA Program Administrator at 515-281-0569.

## Deferred Compensation

Deductions to the deferred compensation program stop when your paid leave is exhausted. Contributions to deferred compensation can only be made through payroll deductions.

You may be eligible to receive income from your deferred compensation account while you are on an unpaid leave of absence. You can apply for an Unforeseeable Emergency Withdrawal.

For more specific information on the deferred compensation program or to obtain forms, you can visit the RIC website at <http://ric.iowa.gov/>, or contact an RIC staff member at 515-281-8677 or 515-242-6846.

## Workers' Compensation

Payroll deductions continue for health, dental, life and long term disability insurance when you supplement workers' compensation benefits with paid leave. The State of Iowa continues to pay its' share of your health, dental, life, and long term disability insurance premiums until your paid leave is exhausted. After your paid leave is exhausted, the state will continue to pay its' share for an additional four months.

If you do not elect to supplement workers' compensation benefits with paid leave, the state's share for health, dental, life, and long term disability insurance will be paid for four months. At the end of the four month period, you may continue health and dental insurance coverage by paying the entire premium (both the state share and the employee share). Note: FMLA leave runs concurrently with (at the same time as) a workers' compensation absence. Your HRA/PA will give you instructions on how to continue your health and dental insurance coverage.

## Employee Assistance Program

You are eligible to use Employee Assistance Program (EAP) services when you are on a paid or unpaid leave of absence.

To contact the EAP, call 515-244-6090 (in Des Moines) or 800-327-4692. If you are outside the State of Iowa, call 800-327-3020.

# Long Term Disability Insurance

## General Information

The State of Iowa provides long term disability (LTD) coverage to all eligible full-time employees. During the first 12 months of disability, the LTD plan replaces a portion of your earnings if you have a disability that prevents you from performing the tasks required by your regular occupation. After 12 months of disability, the LTD plan provides income if you are unable to

perform the duties of any gainful occupation for which you are reasonably suited by education, training or experience.

The LTD benefit is 60 percent of up to \$60,000 of your annual pre-disability earnings.

LTD benefits will continue until:

- You recover,
- You no longer meet the definition of disabled, or
- You reach Social Security Normal Retirement Age (SSNRA). SSNRA is the age when you are eligible for retirement benefits under the Social Security Act, and is based on the year of your birth.

There are special provisions if you are age 60 or older. Call an Iowa Department of Administrative Services representative at 515-281-8866 for more information about these special provisions.

### LTD Benefit Offset

Your monthly LTD benefit may be offset (reduced) by other payments (such as Social Security Disability Income, Workers' Compensation, Veterans Administration benefits, or other state or group disability payments) received as a result of your disability. Your monthly LTD benefit will not be less than \$50. Disability or retirement benefits received from the Iowa Public Employees Retirement System (IPERS) are not deducted from your LTD benefit payments.

### Applying for LTD

Your HRA/PA will provide you the necessary claim form and physician's statement that must be completed by your physician in order to apply for LTD benefits. Return these forms to your HRA/PA.

### LTD Elimination Period

If you are approved for LTD benefits, your LTD benefits will begin on the first day following the "elimination period". The elimination period begins on the first day you meet the LTD plan's definition of disability and continues for 90 working days or until sick leave is exhausted, whichever comes later. You must be disabled (prevented from performing the tasks required by your regular occupation) for 90 working days. Days that you work during the elimination period may not count toward satisfying the 90 days working day elimination period.

### Insurance Benefits during the Elimination Period

The state's share of your health, dental and basic life insurance premiums continues while you are using paid sick leave or vacation, or you are on unpaid FMLA leave.

When you are on approved leave without pay, the state share of your health and dental insurance premiums will stop at the end of the month of your last paid workday or your last month

of FMLA leave, whichever comes later. You may either drop your health and dental coverage or you may continue your insurance by paying the full premium (state and employee portions) monthly to your HRA/PA. Your basic life insurance coverage will continue. You will be required to continue to make payments for supplemental life insurance coverage. You can continue to make these payments for as long as you remain on approved leave without pay.

### Benefits and Status upon Approval of LTD Benefits

#### Tax Implications

LTD benefit payments are taxable income.

#### Continuation of Health and Dental Insurance after Approval of LTD Benefits

The state's share of the health and dental premiums will cease at the end of the month in which your employment terminates, your paid leave is exhausted, or your FMLA is exhausted. You must pay the full monthly premium for any insurance coverage you choose to keep. You will be directly billed by the insurance carrier.

To be eligible to continue coverage upon termination, you must have maintained continuous coverage while you were still considered an employee. You have two options for continuing your health and/or dental insurance when your employment terminates due to LTD benefits approval.

Your two options are the Retired/Disabled Direct Pay Group or the COBRA Group. You must decide which group to join when your employment terminates. If your employment terminates prior to your approval for LTD benefits, COBRA will be your only option. You will be given an opportunity to move from the COBRA Group to the Retired/Disabled Direct Pay Group once your LTD benefits are approved.

#### Retired/Disabled Direct Pay Group

You may continue coverage in this group for as long you receive monthly LTD benefits. Applications to join the Retired/Disabled Direct Pay Group may be obtained from your HRA/PA.

When long term disability benefits are terminated, you are no longer eligible to remain in the Retired/Disabled Direct Pay Group for health and dental coverage unless you are drawing a monthly IPERS pension benefit. You will be offered an opportunity to purchase an individual health and/or dental plan. These plans will be individually issued insurance plans and will not be associated with the State of Iowa's group insurance plans.

#### COBRA Group

After your employment terminates, you may continue coverage in this group for a maximum of 18 months (29 months if approved for disability by the Social Security Administration at any time during the first 60 days of COBRA coverage.) You will be sent information about continuing

coverage through COBRA within two weeks of the date of your final paycheck. When your COBRA continuation period ends, you will be offered an opportunity to purchase an individual health and/or dental plan.

### **Annual Enrollment and Change Period**

If you continue your insurance coverage with the State of Iowa's Retired/Disabled Direct Pay Group or the COBRA Group, you will be able to participate in the annual enrollment and change period, which will allow you to change your health plan every year that you are eligible for coverage. You can continue your group health and group dental coverage separately or together. You do not have to elect to continue coverage in both plans. You can also change your health and/or dental coverage from family to single coverage at the time you continue coverage. Your benefits as a member of either the Retired/Disabled Direct Pay Group or the COBRA Group are identical to benefits for the plan you held as an active employee. You may drop your state group plan completely. However, there is currently no provision for rejoining the group at a later date.

### **Continuation of Life Insurance after Approval of LTD Benefits**

If you are approved for long term disability before you reach the age of 60, your basic and supplemental life insurance may continue without insurance premium payments, provided that your life insurance coverage remained in force until LTD benefits become effective. This is known as "waiver of premium". If you are approved for waiver of premium, life insurance premiums are waived for as long as you receive LTD benefits. Supplemental life insurance premium payments must continue during the qualifying period for LTD.

If your long term disability benefits are terminated, your life insurance will no longer be continued through waiver of premium. The life insurance carrier is obligated to allow you to convert to an individual policy.

If you are over the age of 60 when you become disabled, you have up to 31 days from the date you cease active work to convert or port your life insurance to an individual policy.

### **Social Security**

You may want to apply for Social Security Disability Income (SSDI) benefits at your nearest Social Security office. LTD benefits are reduced by any SSDI received by you and your dependents as a result of your disability. You can obtain Social Security information at 800-772-1213. Explain your situation and ask for assistance. (See the sections on the Iowa Public Employees' Retirement System and the Peace Officers Retirement System below.)

### **Worker's Compensation**

If you have applied for Worker's Compensation benefits, please notify your LTD claims examiner if there are any changes in your Worker's Compensation benefits. Loss of time benefits will offset (reduce) your LTD benefits.

### **Iowa Public Employees' Retirement System (IPERS)**

If you are covered by the Iowa Public Employees' Retirement System (IPERS) and become eligible for LTD benefits, call an IPERS retirement specialist at 800-622-3849 or 515-281-0020 to learn if you qualify for disability benefits and how your retirement benefits are affected by disability.

### **Peace Officers Retirement System (POR)**

If you are a peace officer employed by the Iowa Department of Public Safety and become eligible for LTD benefits, the POR may provide a disability income. Contact your HRA/PA to learn if you qualify for a disability benefits.

### **Deferred Compensation after LTD Benefits Approval**

When your employment with the State of Iowa is terminated, you may leave your money in your deferred compensation investments or request a taxable distribution or rollover.

For more specific RIC program information or to obtain forms, you can visit the RIC website at <http://ric.iowa.gov/> or speak to a RIC staff member at 515-281-8677 or 515-242-6846.

### **Employment Status**

If you are approved for long term disability benefits and you are not receiving a partial disability benefit, your employment with the State of Iowa is terminated.

### **Recall Provisions**

If your physician has released you to return to work, you may qualify for and have recall rights to some state job classifications. To receive application information regarding recall, contact your former department HRA/PA or call a Department of Administrative Services representative at 515-281-5889.

In the unfortunate event of the death of an active employee, the following information will help the family through this difficult time.

### **Life Insurance Benefits**

The State of Iowa provides \$20,000 (\$50,000 for SPOC) of term life insurance for employees working 30 or more hours per week. The employee may also have elected additional supplemental life insurance coverage. The employee's HRA/PA can tell the beneficiary(ies) the amount of supplemental insurance elected, if any.

# Death

## Death of an Active Employee

The HRA/PA will complete the employer section of the Group Life Insurance Claim form and give a Beneficiary Statement to each beneficiary. Each beneficiary completes the form showing their current address(es), date(s) of birth and Social Security Number(s).

The completed Beneficiary Statement is returned to the HRA/PA. The HRA/PA will submit the entire claim, including a copy of the death certificate, to DAS-HRE for submission to the life insurance carrier.

### Accidental Dismemberment Benefit

Certain losses of sight, speech, limbs, or fingers may be covered by the Accidental Dismemberment benefit. If you have a qualifying loss, your HRA/PA will provide you with the forms that both you and your attending physician must complete. The completed forms are returned to the HRA/PA. The HRA/PA will submit the entire claim to DAS-HRE for submission to the life insurance carrier.

### Health and Dental Insurance

Health and dental insurance will continue through the end of the month in which an active employee dies. The family members who were covered by the health and dental plans will be sent COBRA continuation information within two weeks of the decedent's last pay check. Family members may be eligible for COBRA up to a maximum of 36 months.

Call an Iowa Department of Administrative Services representative at 515-281-8989 for assistance.

### Deferred Compensation

If the decedent was a participant in the state's deferred compensation program (Retirement Investors' Club or RIC), the beneficiary has a number of options available.

The beneficiary can:

- Leave the decedent's funds in the RIC for distribution at a later date
- Rollover the RIC account into an IRA, 401(k) or other eligible plan
- Take a direct distribution from the RIC (the distribution may be taxable)

The beneficiary should contact a RIC staff member at 515-281-8677 or 515-242-6846 for additional information or assistance.

## Flexible Spending Accounts (FSA)

If the decedent has funds remaining in a health or dependent care FSA, the options depend on whether the funds are in the health FSA or dependent care FSA.

For health FSA, a spouse or eligible dependent may continue to incur eligible expenses up to the end of the month in which the decedent had coverage. Claims may be filed through April 15 of the following year. A spouse or eligible dependent may continue coverage in the health FSA under COBRA. Continuation is only available if on the date of the employee's death, the remaining potential annual benefits under the health FSA are greater than the remaining contributions. Contributions to the health FSA under COBRA are made on a post-tax basis.

For the dependent care FSA, the decedent's spouse, one of the decedent's dependents, or a representative of the decedent's estate may submit claims for eligible expenses or benefits for the remainder of the plan year or until the account balance is exhausted.

Call the FSA Program Administrator at 515-281-0569 if you have questions.

### Iowa Public Employees' Retirement System (IPERS)

In Des Moines, call 281-0020 for assistance. Outside Des Moines, call 800-524-9476 for assistance.

### Peace Officers' Retirement System (POR)

If a peace officer employed by the Iowa Department of Public Safety is eligible, the POR may provide a death benefit. The benefits specialist can provide information most appropriate for the situation. Contact your HRA/PA for assistance.

### Social Security Survivor Benefits

Contact the Social Security Administration at 800-772-1213 for information regarding eligible survivors' benefits.

## Death of a Former Employee on LTD

The following information explains the benefits process in the event of the death of a former employee on LTD. Refer to the previous section, "Death of an Active Employee" for information on deferred compensation, pension plans (IPERS or POR) and Social Security.

### Life Insurance Benefits

Contact an Iowa Department of Administrative Services representative at 515-281-8866. The representative will complete the employer section of the Group Life Insurance Claim form and send a Beneficiary Statement to each beneficiary. Each beneficiary completes the form showing their current address, date of birth and Social Security Number.

The completed Beneficiary Statement(s) and a death certificate should be submitted to:

Iowa Department of Administrative Services  
Attn: Group Life Insurance  
Hoover State Office Building, Level A  
1305 E. Walnut  
Des Moines, IA 50319-0150

### Health and Dental Insurance

Health and dental insurance will continue through the end of the month in which an LTD claimant dies. Family members who were covered by the decedent's group plan are eligible for COBRA for up to 36 months. In addition, a surviving spouse may be eligible for health and dental insurance continuation in the retired/disabled "direct pay" group if the former employee was drawing an IPERS monthly pension benefit.

Call an Iowa Department of Administrative Services representative at 515-281-8989 for assistance.

### Survivor Income Benefit

The LTD carrier will pay a Survivor Income Benefit to an eligible survivor upon receiving proof of the individual's

death. The Survivor Income Benefit is equal to 3 months of gross disability benefit payments minus any overpayment which may exist on the claim. The Hartford must receive satisfactory proof for survivor income benefits within 1 year of the date of the individual's death.

The survivor income benefit will only be paid:

- 1) To the surviving spouse; or
- 2) If no surviving spouse, in equal shares to the individual's surviving children who are under the age of 25 and primarily depend on the LTD claimant for support and maintenance.

If there is no surviving spouse or surviving children under the age of 25, no benefit will be paid.

Call an Iowa Department of Administrative Services representative at 515-281-8866 for assistance.

#### FOR MORE INFORMATION

More information about the Family and Medical Leave Act, long-term disability insurance and other State of Iowa employee and retiree benefits is available at DAS-HRE Benefits website: <http://benefits.iowa.gov>